November 23, 2009

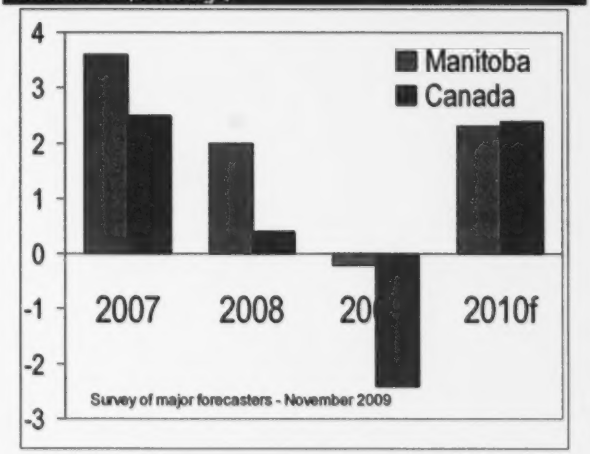
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- Statistics Canada estimates that Manitoba's real GDP grew 2.0% in 2008 above the Canadian growth of 0.4%.
- In March 2009, the Manitoba Bureau of Statistics estimated that real GDP increased by 2.2% for 2008.
- In 2009, the Manitoba economy is forecast to outperform all provinces according to major forecasters.
- In 2010, the Manitoba economy is forecast to grow 2.3% slightly below Canada's growth of 2.4%.

Real GDP (% Change)



Consumer Price Index

- In the first ten months 2009, the Manitoba CPI increased 0.5% above the 0.1% national increase. Food (6.1%) has the largest increase while energy has declined 14.0%.
- In 2008, the Manitoba CPI increased 2.3%, the same as the national increase. Energy, shelter, and food were the major contributors to the increase.

- Manitoba's GDP growth was 2.0% in 2008 substantially better than the 0.4% growth for Canada.
- Manitoba real GDP growth exceeded Canadian growth from 2006 to 2008 and is forecast to outperform all provinces in 2009.
- Manitoba's population increased by 15,864 in the year ending July 1, 2009, the best performance in 38 years.
- Manitoba is outperforming the national economy in virtually all of the major economic indicators.
- After ten months in 2009, Manitoba has the second lowest unemployment and youth unemployment rate.

Labour Market

Employment

- In the first ten months of 2009 Manitoba's employment increased by 1,000 compared to a national decrease of 276,600. Manitoba's full-time employment was up 0.3% while part-time decreased 0.4%.
- In 2008, employment increased 10,200 relative to 2007. Full-time employment was up 2.1% while part-time employment increased 0.1%.

Employment (% Change)

	2008	2009ytd
Manitoba		
Total Employment	1.7	0.2
Full-Time	2.1	0.3
Part-Time	0.1	-0.4
Canada		
Total Employment	1.5	-1.6

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the first ten months of 2009, Manitoba's unemployment rate was 5.0%, second lowest behind Saskatchewan. The youth unemployment rate was 9.9%, also second lowest in Canada.
- Historically, Manitoba's unemployment rate has averaged 2 to 2.5 percentage points below Canada. In the first ten months 2009, this spread has increased to above 3 points.
- In 2008, Manitoba's unemployment rate was 4.2%, third lowest among provinces and the lowest Manitoba rate in over 30 years. Manitoba's youth unemployment rate was 9.0%, fourth lowest among provinces.
- In 2008, the number of unemployed in Manitoba declined by 4.0%. This was the largest percentage decline among the provinces
- From 1998 to 2008, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate four times.

Average Weekly Earnings

- In the first eight months of 2009, average weekly earnings were up 2.6%, above Canada's increase of 1.7%.
- In 2008, average weekly earnings were up 2.7%, below the 2.8% increase nationally and tied for fifth highest among provinces.

Population

- As of July 1, 2009, Manitoba's population stood at 1,221,964, a one-year increase of 15,864 persons. This 1.3% increase was fourth best among provinces.

Net Migration

- In the year ending July 1, 2009, 10,526 more people moved to Manitoba than left.
- During the same period, net international in-migration totaled 12,067, more than the net inter-provincial out-migration of 1,541.

Economic Activity

Manufacturing Sales

- In the first nine months of 2009, Manitoba manufacturing sales decreased 9.7% to $11.1 billion. Canadian sales declined -20.0%.
- In the first eight months of 2009, four Manitoba industries led by increased; electrical appliances (27.3%) and machinery (9.6%).
- In the first nine months of 2009, ten industries have declines in the value of sales with primary metals, wood, printing and other durables leading the losses.
- In 2008, Manitoba's manufacturing sales increased 1.3% to $16.4 billion, Canadian sales declined 0.7%. This was the eighth consecutive year that Manitoba's sales outperformed Canada.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2008	2009ytd
Elec. Appliances.	7.7	27.3
Machinery	29.7	9.6
Petroleum & Coal	30.8	4.5
Chemicals	35.8	2.2

Farm Cash Receipts

- In the three quarters of 2009, Manitoba cash receipts are unchanged at $3.6 billion.
- Crop receipts increased 2.7% led by vegetables (13.7%) and oilseeds (9.5%). Livestock receipts are up 1.6% on the strength of a 11.5% increase in hog receipts. Direct payments have declined 27.7%.
- In 2008, Manitoba cash receipts rose 9.8% with a 24.7% increase in crop receipts offsetting declines in livestock (-3.2%) and direct payments (-15.1%).
- In 2008, all major crops increased led by oilseeds (34.3%) and wheat (29.0%). A 13.5% decline in hog receipts caused the decline in livestock receipts.

Note: Changes are calculated relative to the corresponding period in the previous year.

Farm Cash Receipts (% Change)	2008	2009ytd
Oilseeds	34.3	9.5
Wheat	29.0	(6.4)
Hogs	(13.5)	11.5
Cattle	3.4	(11.9)

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts but by 2008 only 17.4%. The largest source of receipts was oilseeds (23.9%) followed by wheat, hogs (14.6%) and cattle (10.9%).

Retail Sales

- In the first nine months of 2009, Manitoba retail sales declined 2.4% better than the 4.8% decline in Canada.
- The decline in 2009 retail sales is led by declines in gasoline (-15.4%), motor vehicle dealer (-10.2%) and furniture and electronics (-6.6%) sales. Other stores (8.6%), pharmacies (7.8%) and department stores (5.1%) have the largest increases.
- In 2008, Manitoba retail sales increased 7.2% above the 3.4% increase in Canada and third highest among provinces.
- In 2008, gasoline sales (15.3%), pharmacies (15.2%); furniture and appliance sales (11.5%); and hardware, garden and building supply stores (9.0%) led the growth.

Investment

- Statistics Canada's Private and Public Investment survey from February 2009 shows that Manitoba's 2008 capital investment increased 16.7%, second highest among provinces. Canada's increase was 5.2%.
- The Survey shows that Manitoba's private investment increased 15.2% while public investment increased 20.1%.
- A number of major investment projects were undertaken in 2008, including the Winnipeg Floodway expansion, the Wuskwatim hydro-electric dam, the Keystone Pipeline and a new airport facility.
- In 2008, private capital investment accounts for approximately 70% of capital investment in Manitoba.
- In 2009, capital investment is projected to decrease 2.6%. Only three provinces are projected to have increases and investment in Canada will decline 5.4%.
- Private investment is projected to decrease 6.8% with only two provinces having increases and investment in Canada projected to decline 9.3%
- Manitoba public investment is projected to increase 7.0% below Canada (9.5%).

Housing Starts

- In the first nine months of 2009, Manitoba housing starts decreased 24.1% better than the 37.5% national decline.
- In 2009, Manitoba single starts are down 20.6% while multiples have declined 31.5%.
- In 2008, housing starts in Manitoba decreased 3.5% to 5,537 units. Single-detached starts declined 4.3% while multiple starts were down 1.8%. Housing starts in Canada declined 7.6% with single-detached starts decreasing 21.6% while multiple starts were up 7.7%.
- The 2008 total starts in Manitoba are the second-highest level since 1987, while single and multiple housing starts are the third-highest level since 1987.
- In the first ten months of 2009 Manitoba urban housing starts declined 25.3% while Canadian starts were down 36.6%

Housing Starts (All Areas) (% Change)	Manitoba	Canada
2005	6.6	(3.4)
2006	6.3	0.8
2007	14.1	0.4
2008	(3.5)	(7.6)
2009ytd	(24.1)	(37.5)

Note: Changes are calculated relative to the corresponding period in the previous year.

Building Permits

- In the first nine months of 2009, the value of Manitoba building permits decreased 10.8%. Non-residential permits rose 16.8% while residential permits decreased -23.1%. Permits in Canada declined -23.1%.
- The value of permits in Winnipeg declined 20.8% while outside of Winnipeg they increased 5.5%.
- In 2008, the value of building permits in Manitoba increased 10.6%. Non-residential permits were up 3.9% while residential permits increased 14.1%. Canada permits were down 5.3%.
- In 2008 the growth in the value of building permits was led by increases in industrial permits (48.2%), commercial (29.4%) and residential (14.1%) with residential permits exceeded $1 billion for the first time.

Bankruptcies

- In the first eight months of 2009, business bankruptcies decreased 41.0% in Manitoba, and declined 10.8% in Canada.
- In the first eight months of 2009, consumer bankruptcies increased 30.5% in Manitoba, and were up 37.9% in Canada.
- In 2008, business bankruptcies increased 1.0% in Manitoba, and declined 2.0% in Canada. Consumer bankruptcies decreased 0.8% in Manitoba and increased 13.5% in Canada.

Foreign Merchandise Exports

- In first nine months of 2009, Manitoba exports decreased 16.4%, while Canadian exports were down 28.5%.
- In first nine months of 2009, Manitoba's U.S. exports decreased 17.6% while non-U.S. exports were down 13.6%.
- In 2008, Manitoba exports increased 6.4%, while Canadian exports were up 8.4%.
- In 2008, Manitoba's U.S. exports increased 6.7% while non-U.S. exports were up 5.8%.

Foreign Merchandise Exports
(% Change)

	2008	2009ytd
All Countries	6.4	(16.4)
U.S.	6.7	(17.6)
Non-U.S.	5.8	(13.6)

Electricity Sales

- In the first nine months 2009, Manitoba electricity sales declined 10.4% led by a 39.1% decrease in export sales. Domestic sales rose 6.8%.
- In 2008, Manitoba electricity sales increased 4.2% with a 4.7% increase in domestic sales and a 3.4% increase in export sales.
- In 2008 Manitoba electricity sales were the second highest on record due in large part to a record level of domestic sales. Export sales were third highest on record due to a 45.2% increase in Canadian export sales.

Manitoba Finance

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Please click on **economic statistics** to view the data underlying this report.

Note: The 2009 Budget Paper The Economy was released on March 25 and contains an extensive review of Manitoba's economic performance for 2008 and an outlook for 2009. This document is available at: www.gov.mb.ca/finance/budget09/papers/economy.pdf

Note: Changes are calculated relative to the corresponding period in the previous year.

Table 1: Economic Indicators — November 23, 2009

	2003	2004	2005	2006	2007	2008	2009 (ytd)	
			($ Millions)					
Gross Domestic Product								
Nominal	37,451	39,748	41,681	45,029	48,718	50,834	50,173 f	(annual)
Real (2002=100)	37,059	37,861	38,860	40,158	41,593	42,407	42,619 f	(annual)
Investment								
Total	6,163	6,699	6,836	7,837	8,903	10,386	10,116 i	(annual)
Private	4,721	5,082	5,091	5,811	6,267	7,221	6,729 i	(annual)
Public	1,442	1,617	1,745	2,027	2,635	3,165	3,387 i	(annual)
Non-residential	4,906	5,181	5,201	6,042	6,803	7,952	7,605 i	(annual)
Housing	1,257	1,518	1,635	1,796	2,099	2,434	2,512 i	(annual)
Sectors								
Farm Cash Receipts	3,532	3,858	3,801	3,672	4,339	4,766	3,623	(Sept)
Crops	1,703	1,812	1,294	1,271	2,199	2,743	2,163	(Sept)
Livestock	1,522	1,615	1,809	1,780	1,727	1,673	1,226	(Sept)
Direct Payments	308	430	699	322	413	350	234	(Sept)
Manufacturing	12,682	13,262	13,688	14,862	16,168	16,378	11,117	(Sept)
Mineral Production	1,050	1,406	1,576	2,619	3,070	2,520		
Electric Power Sales	1,282	1,435	1,797	1,697	1,667	1,737	1,178	(Sept)
Export Sales	380	488	818	702	613	634	300	(Sept)
Housing Starts All Areas (Units)	4,206	4,440	4,731	5,028	5,738	5,537	3,127	(Sept)
Retail Trade	10,953	11,692	12,381	12,870	14,008	15,017	10,844	(Sept)
Foreign Merchandise Exports								
Total	9,194	9,297	9,301	10,195	12,192	12,973	8,128	(Sept)
US	6,986	6,859	6,973	7,671	8,348	8,906	5,508	(Sept)
Labour Market								
Labour Force (000s)	600.3	608.9	609.4	613.5	623.9	633.0	639.8	(Oct)
Employment (000s)	570.3	576.6	580.3	587.0	596.5	606.7	607.1	(Oct)
Participation Rate (%)	68.7	69.1	68.6	68.8	69.4	69.6	69.4	(Oct)
Unemployment Rate (%)	5.0	5.3	4.8	4.3	4.4	4.2	5.1	(Oct)
Youth Unemployment Rate (%)	9.5	10.9	9.7	8.8	9.0	9.0	9.9	(Oct)
Average Weekly Earnings ($)	623.61	641.83	671.11	690.55	731.21	750.82	767.38	(Aug)
Consumer Price Index								
(2002=100)	101.8	103.8	106.6	108.7	110.9	113.4	114.0	(Oct)
Population								
July 1st estimates (in thousands)	1,163.8	1,173.6	1,178.3	1,184.0	1,193.9	1,206.1	1,222.0	(July)

(ytd) - year to date

(f) - Data for 2003 to 2008 are from Statistics Canada. Data for 2009 are based on Conference Board of Canada forecast.

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

Table 2: Economic Indicators — November 23, 2009

	2003	2004	2005	2006	2007	2008	2009 (ytd)	
			(% Change)					
Gross Domestic Product								
Nominal	2.4	6.1	4.9	8.0	8.2	4.3	(1.3) f	(annual)
Real (2002=100)	1.4	2.2	2.6	3.3	3.6	2.0	0.5 f	(annual)
Investment								
Total	2.5	8.7	2.0	14.6	13.6	16.7	(2.6) i	(annual)
Private	1.5	7.7	0.2	14.1	7.9	15.2	(6.8) i	(annual)
Public	5.8	12.1	7.9	16.1	30.0	20.1	7.0 i	(annual)
Non-residential	0.6	5.6	0.4	16.2	12.6	16.9	(4.4) i	(annual)
Housing	10.5	20.8	7.8	9.8	16.9	16.0	3.2 i	(annual)
Sectors								
Farm Cash Receipts	(7.5)	9.2	(1.5)	(3.4)	18.2	9.8	0.0	(Sept)
Crops	(10.7)	6.4	(28.6)	(1.7)	73.0	24.7	2.7	(Sept)
Livestock	(10.1)	6.2	12.0	(1.6)	(2.9)	(3.2)	1.6	(Sept)
Direct Payments	40.7	39.6	62.4	(11.0)	(33.6)	(15.1)	(24.7)	(Sept)
Manufacturing	7.3	4.6	3.2	8.6	8.8	1.3	(9.7)	(Sept)
Mineral Production	4.5	34.0	12.1	66.1	17.3	(17.9)		
Electric Power Sales	(5.8)	11.9	25.2	(5.5)	(1.8)	4.2	(10.4)	(Sept)
Export Sales	(19.4)	28.3	67.5	(14.2)	(14.1)	3.4	(39.1)	(Sept)
Housing Starts All Areas	16.3	5.6	6.6	6.3	14.1	(3.5)	(24.1)	(Sept)
Retail Trade	3.6	6.7	5.9	3.9	8.8	7.2	(2.4)	(Sept)
Foreign Merchandise Exports								
Total	(2.2)	1.1	0.0	9.6	19.6	6.4	(16.4)	(Sept)
USA	(8.1)	(1.8)	1.7	10.0	8.8	6.7	(17.6)	(Sept)
Labour Market								
Labour Force	0.4	1.4	0.1	0.7	1.7	1.5	1.2	(Oct)
Employment	0.5	1.1	0.6	1.2	1.6	1.7	0.2	(Oct)
Average Weekly Earnings	2.6	2.9	4.6	2.9	5.9	2.7	2.6	(Aug)
Consumer Price Index								
(2002=100)	1.8	2.0	2.7	2.0	2.0	2.3	0.5	(Oct)
Population								
July 1st estimates (in thousands)	0.6	0.8	0.4	0.5	0.8	1.0	1.3	(July)

(ytd) - year to date

(f) - Data for 2003 to 2008 are from Statistics Canada. Data for 2009 are based on Conference Board of Canada forecast.

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.